

STRATEGIC PLAN UPDATE

UNITED STATES NAVY SUPPLY SYSTEM

“One-Touch Supply”



JANUARY 1998

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MISSION, VISION, VALUES

Mission:

To provide our naval forces quality supplies and services.

Vision

We will transform today's infrastructure-intensive supply system into a lean, process-driven system where a single action by the customer activates a global network of sources that delivers best value products and services. In short . . . "One-Touch Supply."



Values

Customer Focus:

We are devoted to serving our customers and to exceeding their expectations.

Employee Excellence:

We are committed to our employees and to their development, participation, and recognition.

Quality Products and Services:

The products and services we deliver are always the best.

Innovative and Responsive:

We constantly explore new ideas and methods in order to increase our effectiveness.

Teaming for Success:

We aggressively seek effective partnerships to improve our quality.

Honor and Integrity:

We act ethically; are open, honest and fair, keep our word, and take full responsibility for our actions.

ATTACKING THE INFRASTRUCTURE

- **Goal:** *Drive down the cost of supply infrastructure and transform the system into a responsive global network.*
- **Background:** *This initiative targets the ashore supply infrastructure by making processes more efficient, outsourcing services, consolidating similar processes, and eliminating unnecessary or unprofitable activities. It further seeks to create a global network of best-value sources.*
- **Performance Measures:**
 - *Reduction in the cost of supply operations due to partnerships*
 - *Reduction in the cost of supply operations resulting from the creation of a single process-driven system*
 - *Reduction in the cost of products and services resulting from best value determinations*
 - *Composite of inspection results and customer satisfaction surveys*

STRATEGY 1:

Complete regional supply through strategic partnerships; adjust the focus to achieve regional “functional” consolidations, regional “best business practices,” and regional metrics.

Tactical Objective:

- Regionalize supply functions at San Diego, Norfolk, Pearl Harbor, Jacksonville, Puget Sound, Yokosuka, Northeast Region, and Europe

STRATEGY 2:

Take regional supply national, creating a single, process-driven system.

Tactical Objectives:

- Implement Consumer Level Material Management (CLMM)
- Single-up ashore and afloat retail systems
- Implement Hazardous Substance Management System (HSMS) and Regional Hazardous Material Management System (RHMS) ashore Navy-wide, ensuring Consolidated Hazardous Material Reutilization and Inventory Management Program (CHRIMP) business practices are employed
- Expand asset visibility
- Implement a WEB enabled customer interface to perform requisition support functions
- Implement Material Financial Control System (MFCS) ashore
- Implement Defense Logistics Agency's (DLA) standard material physical distribution solution

STRATEGY 3:

Link the process-driven system to best value providers of products and services accessible through a single customer action.

Tactical Objectives:

- Execute outsourcing strategy at the Naval Inventory Control Point
- Execute outsourcing strategy at the Fleet and Industrial Supply Centers
- Execute outsourcing strategy at other NAVSUP activities
- Implement “Service Member Arranged Move”

STRATEGY 4:

Promote and implement other innovative cost savings initiatives directed at Navy infrastructure.

Tactical Objectives:

- Use established organization to review and initiate cost savings initiatives
- Reduce the Navy Working Capital Fund Supply Management surcharge by analyzing its components and initiating cost savings actions



DRIVING DOWN WEAPONS SYSTEMS SUPPORT COSTS

■ **Goal:** Partner with Hardware Systems Commands (HSCs), Defense Logistics Agency (DLA), and other services to reduce weapon systems life cycle costs and supporting inventory investment while maintaining readiness.

■ **Background:** This initiative targets weapon system life cycle support costs by increasing the reliability and maintainability of spare and repair parts. It reduces inventory levels by creating innovative support alternatives and creates a cost-effective national level inventory, visible and distributable, through state-of-the-art Total Asset Visibility.

■ **Performance Measures:**

- Reduction of spares requirements through reliability improvements, non developmental, and commercial off-the-shelf items

- Logistics Engineering Change Proposals' Return On Investment (ROI) to include actual savings and percentages
- Individual contractor logistics support, direct vendor delivery, and creative contracting initiative savings
- Reduction in inventory value as measured by the Supply System Inventory Report
- Weapon systems readiness indicators to include maintenance actions and reductions in Logistics Response Time (LRT)
- Reduction in surcharge



STRATEGY 1:

Establish and implement expanded supply system responsibilities for weapons systems life cycle support.

Tactical Objectives:

- Enhance HSC/Program Executive Office/Program Manager (PM)/DLA/other-service partnerships
- Enhance/expand shared data capability
- Identify/implement allowance process improvements

STRATEGY 2:

Reengineer Logistics Engineering Change Proposal process to optimize Navy weapons life cycle investment decisions.

Tactical Objectives:

- NAVICP/HSC/PM/Fleet teaming
- Revise ROI/payback guidelines
- Process improvements

STRATEGY 3:

Exploit opportunities and target creative solutions for contractor logistics support of weapon systems.

Tactical Objectives:

- Increase direct vendor delivery/long term contracting/contractor logistics support efforts
- Implement acquisition reform initiatives

STRATEGY 4:

Reengineer inventory investment, retention, and positioning strategies to reduce life cycle costs.

Tactical Objectives:

- Reduce repair cycle time
- Reduce logistics response time
- Reduce inventory through readiness based sparing and retention models
- Optimize Navy use of DLA and Navy-owned DLA stocks
- Expand asset visibility
- Improve asset access and business rules
- Reduce surcharge
- Strengthen financial management processes



AFLOAT SUPPLY . . . SHAPING THE FUTURE

- **Goal:** *Partner with the Fleet to reduce the cost of afloat supply and supporting infrastructure while maintaining the quality of support.*
- **Background:** *This initiative targets the afloat supply infrastructure. By orchestrating afloat system optimization and business process improvements, NAVSUP is creating an environment that facilitates standardization of inventory and financial management practices and presents opportunities to move workload off ships.*
- **Performance Measures:**
 - *Reductions in cost of afloat supply*
 - *Reductions in cost of the training pipeline*

STRATEGY 1:

Reduce workload afloat by standardizing tools and practices, inserting technology and shifting workload ashore.

Tactical Objectives:

- Implement Relational Supply
- Implement Material Financial Control System (MFCS) afloat
- Implement Standard Accounting and Reporting System (STARS) afloat
- Implement Electronic Commerce/Electronic Data Interchange (EC/EDI) afloat
- Implement Afloat Asset Visibility
- Transition aviation repairables to Navy Working Capital Fund
- Prototype radio frequency capability afloat
- Automate processes and data exchange
- Workload off ships
- Reengineer Navy food service

STRATEGY 2:

Implement the best value source of products and services.

Tactical Objectives:

- Implement Fleet Prime Vendor(Pharmaceuticals)
- Implement Fleet Prime Vendor(Medical/Surgical)
- Implement Subsistence Prime Vendor
- Implement Afloat Personal Telecommunications Service
- Implement ATMs-At-Sea On-line
- Implement Navy Mail In-Transit Visibility

STRATEGY 3:

Restructure ratings and supporting training to take advantage of standardization of practices, insertion of technology, realignment of workload ashore, and adoption of commercial practices.

Tactical Objectives:

- Merge AK/SK ratings
- Reduce NECs/classrooms/instructors
- Improve culinary training



CUSTOMER FOCUSED CONTRACTING

- **Goal:** Drive down cycle time for satisfying customer requirements through a more responsive field contracting system to include the Naval Inventory Control Point.
- **Background:** This initiative targets contracting cycle time, the time it takes for a customer to receive a product or service after determining the need for that product or service. It provides the Navy Field Contracting System (NFCS) with the rules and tools to better meet the needs of our customers.

- **Performance Measures:**

- Number of long-term, Prime Vendor (PV), Indefinite Delivery Indefinite Quantity (IDIQ), and Omnibus contracts awarded
- Standard Procurement System (SPS) installations completed
- Customer satisfaction rates
- Number of contracts awarded using acquisition reform initiatives
- Number of activities with review plans and number of activities demonstrating improved Request for Proposals (RFPs)
- Restructured program reviews
- Number and percentage of contractor data in Red/Yellow/Green (RYG) Program
- Number and percentage of awards using RYG
- Number of purchase cards issued and percentage of eligible transactions purchased with the card



STRATEGY 1:

Reengineer field contracting through innovative techniques, technology insertion, teaming with customers and vendors.

Tactical Objectives:

- Utilize long term, PV, IDIQ and omnibus contracts
- Expand NFCS electronic capabilities including SPS, electronic payment, Electronic Commerce In Contracting (ECIC) systems, Internet, and other available applications to transition to a paper free environment by January 2000
- Achieve and sustain >90% customer satisfaction
- Facilitate sharing of acquisition best practices
- Institute a Request for Proposals quality assurance process
- Restructure Procurement Management Review Program
- Provide best value contracting solutions to our customers
- Develop regional contracting approach

STRATEGY 2:

Use the purchase card for 90% of all micropurchases.

Tactical Objectives:

- Enhance personal computer-based training and support program for purchase card users
- Maximize purchase card utility by expanding purchase card coverage to the broadest range of goods and services possible
- Automate and standardize afloat purchase card procedures
- Decentralize purchase card utilization
- Increase use of purchase card as payment method
- Establish major claimant rules and responsibilities for management of the program within claimancies



WORKFORCE FOR THE 21ST CENTURY

- **Goal:** *Build a Skilled and Flexible Workforce around new processes, systems, and training mechanisms.*
- **Background:** *This initiative is aimed at developing and maintaining the kind of workforce NAVSUP needs to perform its mission.*
- **Performance Measures:**
 - *The number of new entry level professionals*
 - *Percent increase of workforce in rotational assignments and developmental programs*
 - *Employee satisfaction level with training and learning opportunities*
 - *Management satisfaction level with training and learning opportunities*

STRATEGY 1:

Reposition the NAVSUP corporation.

Tactical Objectives:

- Develop an on-line information technology solution for “one-touch” career management
- Assess management and individual employee satisfaction

STRATEGY 2:

Renew our workforce.

Tactical Objectives:

- Identify learning needs
- Execute a strategy and Plan of Action and Milestones for learning needs



STRATEGY 3:

Regenerate our workforce.

Tactical Objectives:

- Induct new employees through the acquisition intern, financial management intern, and field activity intern programs
- Recapitalize the workforce through internally generated initiatives

STRATEGY 4:

Reinvigorate our workforce.

Tactical Objectives:

- Revise developmental programs to comply with SECNAV civilian leadership development initiatives
- Develop career progression and cross learning strategies
- Facilitate developmental opportunities
- Facilitate continuing education opportunities



INFORMATION TECHNOLOGY . . . THE ONE-TOUCH SUPPLY ENABLER

■ **Goal:** *Provide the modern Information Technology (IT) needed to continuously improve the efficiency and responsiveness of the next generation navy supply system.*

■ **Background:** *This initiative is aimed at deploying the modern ITs, data architectures, and information systems that NAVSUP needs to effectively and efficiently perform its increasingly complex mission.*

■ **Performance Measures:**

- *Ratio of Commercial Off-the-Shelf (COTS) to custom-developed information systems expenditures*
- *System development life cycle times*
- *Percentage of corporate data elements available via structured query language calls*
- *Data processing expenditures as ratio of total corporate IT expenses*
- *Remaining number of non-year 2000 compliant systems*

STRATEGY 1:

Deploy the ITs that support and integrate NAVSUP's dynamically evolving corporate business practices.

Tactical Objectives:

- Acquire and deploy modern data exchange and workflow management tools, including modernized networks, expanded Internet access, EC/EDI technology, and JCALS capabilities
- Implement modern, Defense Message System compliant, mail and other communications tools with reliable automated mail directory synchronization
- Define and deploy a standard hardware and software configuration consistent with both the "workstation" and "back office" requirements identified in IT-21 standards
- Define and execute requirements for data processing disaster recovery and continuity of operations
- Determine and promulgate other NAVSUP-wide IT standards consistent with emerging DOD/Navy guidance (e.g., COE, DII, JCALS, etc)
- Upgrade NAVSUP's Information Systems Security (INFOS-EC) to comply with all prevailing federal and DOD INFOSEC standards

STRATEGY 2:

Establish the foundation and standards for defining and managing the total information requirements of the global supply chain.

Tactical Objectives:

- Deploy the automated tools needed for the development of robust logical data and business process models
- Develop a corporate logistics data model based on data and business process requirements
- Research and inventory the requirements and sources of data needed for global supply chain management

- Separate data from applications by transitioning selected data structures to SQL-based, standard operating environment-compliant database management systems
- Develop the capabilities to access and use information in disparate databases, regardless of physical location or ownership

STRATEGY 3:

Evolve, adopt, or acquire the Automated Information Systems (AISs) needed to support supply system reengineering, implement modern user interfaces, and exploit the capabilities of the Internet.

Tactical Objectives:

- Ensure all NAVSUP-maintained AISs can correctly store and process calendar dates of 1 January 2000 or later
- Define a standard user interface for all NAVSUP-maintained AISs
- Upgrade NAVSUP systems to comply with the Global Combat Support System (GCSS), Common Operating Environment (COE) and Standard Operating Environment (SOE)
- Determine the adaptability of externally-developed AISs (including COTS) to replace or supplement NAVSUP's current AIS portfolio
- Maximize the growing capability and accessibility of the World Wide Web for corporate business processes, consistent with security and accountability requirements



STRATEGY 4:

Improve the responsiveness of NAVSUP's IT infrastructure by optimizing system development capabilities, selecting best-value product and service providers, and streamlining the IT acquisition and refreshment process.

Tactical Objectives:

- Replace life cycle management requirements with annual Information Technology Infrastructure Abbreviated Acquisition Program plans
- Establish a long-term relationship with an acknowledged industry leader in IT
- Establish or identify, and use the standard, renewable contractual vehicles needed for expedited acquisition of IT products and services
- Identify and employ the best total value providers of systems development and data processing services
- Commission, complete, and implement the recommendations of an independent, third-party review of NAVSUP's total ADP delivery system





“One-Touch Supply”





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